



HEADQUARTERS, UNITED STATES FORCES, KOREA
UNIT #15237
APO AP 96205-0010

REPLY TO
ATTENTION OF:

EAGA-CP-CC

MEMORANDUM FOR SEE DISTRIBUTION

27 OCT 2003

SUBJECT: Implementation of Wage and Fringe Benefits Out-of-Cycle Adjustments for Korean Employees

1. References:

a. USFK Regulation 690-1, 4 October 1994, Civilian Personnel Regulations and Procedures - Korean Nationals, as changed.

b. Memorandum, HQ USFK, EAGA-CP-CC, 27 June 2003, subject: Implementation of Wage and Fringe Benefits Adjustments for Korean Employees.

2. The following non-US citizen employee wage and fringe benefits provisions are announced for implementation.

a. Applicability. Wage increases resulting from the enclosed wage schedules and other compensation plans authorized by reference 1a apply to Korean employees of all appropriated and nonappropriated fund activities, invited contractors, Korea Support Activity, AAFES, and the members of the Korean Service Corps. Schedules also apply to any other non-US citizen (third country national) employees who are hired locally.

b. Schedule Application. Application of the new wage schedules will be on a step-for-step, grade-for-grade basis, except as provided in reference 1a for employees on saved rates. The effective date for the new wage schedule is 1 November 2003. The new wage schedule will remain in effect until the next wage adjustment.

3. The following fringe benefits are changed:

a. Allowance for Payments-in-Kind (PIK). All employees will be paid an allowance in lieu of payments-in-kind normally provided by Korean companies and government agencies. The allowance will be 825 won per hour for all paid hours, exclusive of overtime hours worked.

b. Tuition Assistance. Effective with the 2004 school year, the total amount of school expenses payment authorized will be changed not to exceed 5,020,000 won per student for undergraduate college with the following restrictions: The tuition assistance is limited to four years of undergraduate studies for students at age 28 or below. Effective with the

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2003 school year, tuition assistance for eligible dependent middle school, high school, and college students abroad is the amount applicable to in-country students. There are no quarterly limits for middle school and high school on the amounts to be paid.

c. Paid Days Off for Family Events . Effective 1 July 2003, the paid days off for Family Events is revised as follow:

- (1) Employee's marriage – six days.
- (2) Marriage of employee's child – two days.
- (3) Funeral of employee's parents – six days.
- (4) Funeral of employee's spouse – six days.
- (5) Funeral of employee's child – four days.
- (6) Funeral of employee's spouse's parents – five days.
- (7) 60th birthday of employee's parents – one day.

d. Priority Group for Invited Contractor Employees: Effective 1 August 2003, employees of invited contractors will be moved from Priority Group 5 (current employees) to Priority Group 9 (all other qualified applicants), for recruitment purposes. Any job offer made before 1 August 2003 to an invited contractor employee who applied for a United States Forces Korea (USFK) position under Priority Group 5 will be considered valid. Invited contractor employees applying for USFK positions on or after 1 August 2003 will be considered under Priority Group 9.

e. One-year Pilot Program for Installation Management Agency, Korea Region Office (KORO), Morale, Welfare, and Recreation (MWR): Effective 1 August 2003 until 31 July 2004 on a trial basis, KORO MWR may establish a pilot program in which a newly hired employee will serve no less than one year in the position to which he/she is initially hired before he/she can voluntarily move to any other position. Reassignment will be allowed if the employee's move is due to a management-directed action under reduction in force procedures, or if management and the employee mutually agree and the Director of KORO, or his designee, approves release of the employee. The Korean Employees Union and management at the end of the one-year test period will make a review and

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SUBJECT: Implementation of Wage and Fringe Benefits Adjustments for Korean Employees

determine whether to continue or terminate the program. Interim data on the results of this program will be provided to JLAC members at their next scheduled meeting. The USFK Joint Labor Affairs Committee has the final authority at the end of the test period to approve/disapprove continuation of the program.

4. The following fringe benefits are unchanged:

a. Occupational Premium (OP). All employees occupying KGS-12 and KGS-13 positions as medical doctors will be paid an occupational premium of 30 percent of base pay for all paid hours. The occupational premium will not be included in computing premium pay.

b. Remote Area Allowance. An allowance will be paid to employees required to work at locations designated as remote areas. The amount of the remote area allowance will be 30,440 won per month for those employees paid on a monthly basis. For those employees paid on a four-week basis, the amount will be 28,000 won. For payment of less than a full month, the allowance will be at an adjusted increment of 7,000 won per week with payment for less than full week treated as one week. This allowance will not be paid to employees who are furnished, at no cost, daily commuting transportation to and from the work-site or who are provided both meals and lodging at no expense at the work-site.

c. Benefits Allowance (BA). All employees will be paid an allowance to compensate for various fringe benefits provided by Korean companies and government agencies, but not authorized or authorized at a lower level for US Forces employees. The allowance is 5.8 percent of base pay for all paid hours, exclusive of overtime hours worked.

d. Bonuses:

(1) Employees will be paid the following bonuses:

(a) Lunar New Year: A two-month Lunar New Year bonus will be paid to eligible employees on the rolls as of 30 November, with payment to be made before the Lunar New Year holiday.

(b) Spring Bonus: A one-month spring bonus will be paid to eligible employees on the rolls as of 31 January, with payment to be made in the month of March.

(c) Summer Bonus: A one-month summer bonus will be paid to eligible employees on the rolls as of 30 April, with payment to be made in the month of June.

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(d) Chusok Bonus: A two-month Chusok bonus will be paid to eligible employees on the rolls as of 31 July, with payment to be made before the Chusok holiday.

(e) Year-end Bonus: A two-month year-end bonus will be paid to eligible employees on the rolls as of 31 October, with payment to be made in the month of December.

(2) For Korean National employees serviced by the 175th Finance Command in connection with the change to the monthly pay cycle from the four-week pay period, the bonus payment schedules are as follows:

| | |
|-----------|--|
| January | One month's pay will be paid to personnel employed as of 30 Nov. |
| March | One month's pay will be paid to personnel employed as of 31 Jan. |
| May | One month's pay will be paid to personnel employed as of 31 Mar. |
| July | One month's pay will be paid to personnel employed as of 31 May |
| September | Two months' pay will be paid to personnel employed as of 31 Jul. |
| November | Two months' pay will be paid to personnel employed as of 30 Sep. |

(3) Computation:

(a) For four-week pay period: The one-month bonuses are computed by multiplying the scheduled (base) hourly rate by the normally scheduled work hours per four-week pay period with the product multiplied by 1.083; for the two-month bonuses, the product is multiplied by 2.167.

(b) For monthly pay period: The one-month bonuses are computed by multiplying the scheduled (base) hourly rate by the median number of hours for the last three pay periods, including the pay period that contains the bonus eligibility date; for the two-month bonuses, the product multiplied by two.

h. Allowable school expenses are authorized up to a maximum of two students in middle school, high school, or college.

i. Condolence Payment. A condolence payment of 2,000,000 won is authorized for families of deceased employees.

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5. Reference 1b is rescinded.

2 Encls

1. Manual Wage Schedule
2. Nonmanual Wage Schedule


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Acting Deputy Assistant Chief of Staff, G1
(Civilian Personnel)

DISTRIBUTION:

B

Less Publications Stocking Activities

SPECIAL DISTRIBUTION:

- 20 - ACofS, G1, ATTN: EAGA-CP, APO AP 96205-0009
- 5 - ACofS, RM, ATTN: EARM, APO AP 96205-0009
- 20 - Cdr, 51st MSS/DPC, APO AP 96278-2097
- 5 - Cdr, 8th MSS/DPC, APO AP 96264-2102
- 5 - Cdr, NAVFORK, APO AP 96205-0023
- 2 - Cdr, USAAA-KFO, APO AP 96205-0431
- 10 - Cdr, USACA, APO AP 96205-0062
- 2 - AMEMB, Seoul, APO AP 96205-0001
- 2 - AAFES-PACRIM REGION (HR), APO AP 96378-5163
- 2 - AAFES, Korea FA, APO AP 96205-0003
- 5 - Capital Exchange, APO AP 96205-0003
- 5 - Northern Exchange, APO AP 96258-0003
- 5 - Central Exchange, APO AP 96278-0003
- 5 - Southern Exchange, APO AP 96218-0003
- 2 - Dragon Hill Lodge, APO AP 96205-0083
- 5 - Cdr, 19th TSC, ATTN: EANC-CPOC, APO AP 96218-0171
- 5 - Cdr, Area I Spt Act, ATTN: EANC-AI-CPAC, APO AP 96258-0707
- 5 - Cdr, 34th Spt Gp, Area II, ATTN: EANC-SA-CPAC, APO AP 96205-0177
- 5 - Cdr, US Army Spt Gp, Area III, ATTN: EANC-HG-CPAC, APO AP 96271-0716
- 5 - Cdr, 20th Spt Gp Area IV, ATTN: EANC-T-CPAC, APO AP 96218-0562
- 5 - Cdr, Fleet Activities, Chinhae, FPO AP 96267-1100

KOREA - NON-MANUAL SCHEDULE U.S. FORCES WAGE SCHEDULE
KGS HOURLY RATES
LOCALLY HIRED, NON-U.S. CITIZEN EMPLOYEES

HOURLY RATES (KOREAN WON)

| Grade | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | Step 7 | Step 8 | Step 9 | Step 10 | Step 11 | Step 12 | Step 13 | CAP* |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|------|
| 1 | 2353 | 2465 | 2577 | 2689 | 2801 | 2913 | 3025 | 3137 | 3249 | 3361 | 3473 | 3585 | 3697 | 761 |
| 2 | 3161 | 3311 | 3462 | 3612 | 3763 | 3914 | 4064 | 4215 | 4365 | 4516 | 4666 | 4817 | 4967 | 986 |
| 3 | 3945 | 4132 | 4320 | 4508 | 4696 | 4884 | 5072 | 5260 | 5447 | 5635 | 5823 | 6011 | 6199 | 1203 |
| 4 | 4708 | 4932 | 5157 | 5381 | 5605 | 5829 | 6053 | 6278 | 6502 | 6726 | 6950 | 7174 | 7399 | 1416 |
| 5 | 5452 | 5712 | 5972 | 6231 | 6491 | 6751 | 7010 | 7270 | 7530 | 7789 | 8049 | 8308 | 8568 | 1623 |
| 6 | 6187 | 6481 | 6776 | 7070 | 7365 | 7660 | 7954 | 8249 | 8543 | 8838 | 9133 | 9427 | 9722 | 1827 |
| 7 | 6909 | 7238 | 7567 | 7896 | 8225 | 8554 | 8883 | 9212 | 9541 | 9870 | 10199 | 10528 | 10857 | 2027 |
| 8 | 7614 | 7976 | 8339 | 8701 | 9064 | 9427 | 9789 | 10152 | 10514 | 10877 | 11239 | 11602 | 11964 | 2223 |
| 9 | 8300 | 8695 | 9091 | 9486 | 9881 | 10276 | 10671 | 11067 | 11462 | 11857 | 12252 | 12648 | 13043 | 2414 |
| 10 | 8972 | 9399 | 9827 | 10254 | 10681 | 11108 | 11535 | 11963 | 12390 | 12817 | 13244 | 13672 | 14099 | 2601 |
| 11 | 9626 | 10084 | 10542 | 11001 | 11459 | 11917 | 12376 | 12834 | 13292 | 13751 | 14209 | 14668 | 15126 | 2783 |
| 12 | 10262 | 10751 | 11240 | 11728 | 12217 | 12706 | 13194 | 13683 | 14172 | 14660 | 15149 | 15638 | 16126 | 2960 |
| 13 | 10888 | 11407 | 11925 | 12444 | 12962 | 13480 | 13999 | 14517 | 15036 | 15554 | 16073 | 16591 | 17110 | 3133 |

* Consolidated Allowance Payment
Effective Date: 1 November 2003

KOREA - MANUAL SCHEDULE
KWB HOURLY RATES
LOCALLY HIRED, NON-U.S. CITIZEN EMPLOYEES

U.S. FORCES WAGE SCHEDULE

HOURLY RATES (KOREAN WON)

| Grade | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | Step 7 | Step 8 | Step 9 | Step 10 | Step 11 | Step 12 | Step 13 | CAP* |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|------|
| 1 | 3344 | 3503 | 3663 | 3822 | 3981 | 4140 | 4299 | 4459 | 4618 | 4777 | 4936 | 5096 | 5255 | 1026 |
| 2 | 3761 | 3940 | 4119 | 4298 | 4477 | 4656 | 4835 | 5014 | 5193 | 5372 | 5551 | 5731 | 5910 | 1140 |
| 3 | 4164 | 4362 | 4560 | 4759 | 4957 | 5155 | 5354 | 5552 | 5750 | 5948 | 6147 | 6345 | 6543 | 1251 |
| 4 | 4549 | 4765 | 4982 | 5198 | 5415 | 5632 | 5848 | 6065 | 6281 | 6498 | 6715 | 6931 | 7148 | 1357 |
| 5 | 4870 | 5102 | 5334 | 5566 | 5798 | 6030 | 6262 | 6494 | 6726 | 6958 | 7190 | 7421 | 7653 | 1445 |
| 6 | 5166 | 5412 | 5658 | 5904 | 6150 | 6396 | 6642 | 6888 | 7134 | 7380 | 7626 | 7872 | 8118 | 1526 |
| 7 | 5464 | 5724 | 5985 | 6245 | 6505 | 6765 | 7025 | 7286 | 7546 | 7806 | 8066 | 8326 | 8587 | 1608 |
| 8 | 5757 | 6032 | 6306 | 6580 | 6854 | 7128 | 7402 | 7676 | 7951 | 8225 | 8499 | 8773 | 9047 | 1689 |
| 9 | 6059 | 6347 | 6636 | 6924 | 7213 | 7502 | 7790 | 8079 | 8367 | 8656 | 8944 | 9233 | 9521 | 1772 |
| 10 | 6333 | 6634 | 6936 | 7237 | 7539 | 7841 | 8142 | 8444 | 8745 | 9047 | 9348 | 9650 | 9951 | 1847 |
| 11 | 6608 | 6923 | 7238 | 7552 | 7867 | 8182 | 8496 | 8811 | 9126 | 9440 | 9755 | 10070 | 10384 | 1923 |
| 12 | 6880 | 7208 | 7536 | 7863 | 8191 | 8519 | 8846 | 9174 | 9502 | 9829 | 10157 | 10484 | 10812 | 1998 |
| 13 | 7144 | 7484 | 7825 | 8165 | 8505 | 8845 | 9185 | 9526 | 9866 | 10206 | 10546 | 10886 | 11227 | 2070 |

* Consolidated Allowance Payment
Effective Date: 1 November 2003